

SB1 Solar Program Status Report
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Utility Name: Hercules Municipal Utility

Program Reporting Period:

From Program Inception: January 1, 2008

Through: March 31, 2008

1. Program Activities

a) Summary of Program Activities:

HMU has been promoting solar panel installation since July 2006. It promotes its SB 1 solar program to its customers through its website and newsletters. The City's website actively promotes solar installations and the Building Inspection Department offers discounts for permits and inspections. Several customers have shown an interest in the program, however no applications were submitted in the reporting period.

b) Future Opportunities and Challenges:

Payback period, even with rebate, does not meet customer's expectations. East Bay has fewer hours of sun per year than inland areas increasing the payback period.

2. Program Performance

Applicants - 0

Total Systems - 0

Installed Total kW Installed - 0

Estimated Generation (kWh) - 0

Available Funding - \$100,000

Total Expenditures Incentives Awarded - \$0

Incentives Paid - \$0

3. Additional Information *(as available)*

a) Known customer application issues/applications not approved

None

b) Non PV solar systems installed

None

c) Facility end use information – N/A

d) Incentive and funding disaggregation (e.g., by incentive type, by end use, etc.)

Residential - \$3/Watt up to \$10,000 per customer

Small Commercial - \$3/watt up to \$10,000 per customer

Large Commercial - \$3/watt, with the maximum amount of rebate to be determined on an individual basis

4. Appendix

Additional program information, including program guidelines, incentive tables, program rules, etc.

Solar Buy Down Program

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By offering incentives in the form of a rebate or "buy down," HMU's Solar Electric Buy Down Program makes photovoltaic (PV) systems more competitive with the cost of electricity you currently purchase. Rebates are available to HMU customers who install PV systems. The incentive is based on the rated AC generating capacity of the PV modules, measured in watts. The rebate amount is **\$3.00 per watt, up to a maximum payment of \$10,000 per customer**. PV modules

generate Direct Current (DC). The DC rating of the PV modules do not accurately reflect the PV system electricity generating capability. Rather, the PV system generating capability is determined by the efficiency of the inverter—the device that converts DC into utility grade Alternating Current (AC)—and the electric resistance losses in wiring, connectors, and other electrical components required to complete the system.

PV System Requirements

- **Certified PV Modules and Inverters Only**

HMU requires that all PV modules must be certified by a nationally recognized testing laboratory as meeting the requirements of the Underwriters Laboratory Standard 1703 and must appear on the latest California Energy Commission [certified Photovoltaic modules list](#).

HMU also requires that all inverters be certified as meeting the requirements of UL 1741 and appear on the latest California Energy Commission [certified inverters list](#).

- **Warranties for your PV System**

HMU **requires** that the retailer provide you with a 5-year warranty on the PV system components. If the retailer also installs the equipment for you, and the price of the installation is included in the overall system price on which the incentive amount is based, then the required warranty must include the cost of removing the defective component, shipping it to the manufacturer, and reinstalling the component after it is repaired or replaced. If the retailer sells you the equipment only and you have it installed by someone other than the retailer, the retailer is not responsible for the cost of removal, shipping, and reinstallation. You will have to bear those costs. Consider the warranty when deciding whether to have the retailer also serve as the installer. If the manufacturer's warranty is a limited warranty that does not include the cost of removing, shipping, and reinstalling defective components, the retailer must cover these costs if the retailer installs the system.

The required 5-year warranty applies only to components of the generating system that qualify for the HMU Buy Down, including PV modules, mounting or tracking structures, inverters, wiring, foundations (only for freestanding systems), and HMU required interconnection equipment. The warranty does not apply to components used for electricity storage, including batteries and charge controllers. The 5-year warranty requirement allows exclusions for damage, malfunction, or degradation of electrical output caused by factors beyond the manufacturers' or retailers' control. These exclusions may include (but are not limited to) failure to properly operate and maintain the system, failure to comply with applicable building codes and utility requirements, mishandling, neglect, vandalism, or acts of nature. Be sure to carefully read the warranty and review the terms and conditions with your retailer to avoid any misunderstandings.

[Download the Solar Electric Buy Down application \(PDF\)](#)

If the application and proposed PV system and installer meet the program requirements and funds are still available, funds will be reserved for you for 120 days. HMU will send you a PV Buy Down Program Reservation Confirmation Form upon approval of your application. The Confirmation form assures you that rebate funds are available for your PV project.

HMU will also send you an [Interconnection Agreement](#) (PDF) that provides the terms and conditions for PV systems interconnected to HMU's electric grid and the terms of the applicable rate schedule associated with grid connected systems. The Interconnection Agreement must be consummated in order to receive your rebate.

HMU will issue a rebate check within four (4) weeks after your qualifying PV system has been successfully installed by a properly licensed contractor and the system has passed final inspection by the City of Hercules [Building Department](#).

Depending upon customer acceptance, the program rebate amount is subject to change to allow more or fewer customers to participate. References in HMU's PV Buy Down Program Consumer Guidelines to any resources, products, companies, or services are provided as a public service, and are not an endorsement, recommendation, or favoring of same by HMU.

Rebate Program

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The Solar Rebate Program was designed to encourage the use of solar energy in an effort to reduce dependence on in-state and regional electrical generation and diminishing fossil fuel supplies. Roof top solar panels are an obvious means to alleviate these problems.

Generally, when a residential solar system is desired, it is designed and installed by a licensed contractor familiar with such systems. Permits are required for the work. Plans must indicate the proposed location and show exactly how the system is to be installed. The Planning Division reviews the plans for compliance with the City of Hercules Zoning Code, after which the Building Department reviews the plans to ensure compliance with the Uniform Building Code and the National Electrical Code. If the plans meet all regulations, the Building Department signs the plans and notifies the applicant that the permits are ready to be picked up.

How the Rebate Works and the Estimated Savings

For solar panel permits, the City of Hercules Council approved a rebate of 50% of the permit fees, eliminated the General Plan Update Fee, and reduced the plan check fee from 75% of the building permit fee to a flat fee of \$35.00.

A copy of the contract between the homeowner and the contractor must be submitted along with the permit application. Some systems may be approved over the counter while others may require more extensive review. After approvals have been obtained and the permits are ready to be picked up, the permit fees must be paid. Within 30 days of issuing the permit, the City will send a rebate check for 50% of the permit fees to the homeowner. This process ensures that any incentive for installation of a solar energy system is directed to the homeowner.

The following is an example of the previous fees and the new fees based on an installation contract price of \$25,000 and the savings provided to the homeowner.

Fee Change Example (Based on \$25,000 photovoltaic system)

	FEES UNDER SOLAR REBATE PROGRAM	PREVIOUS PERMIT FEES
Filing Fee	\$ 20.00	\$ 20.00
General Plan Update Fee	\$ 0.00	\$ 250.00
Plan Check Fee	\$ 35.00	\$ 293.00
Building Permit Fee	\$ 391.00	\$ 391.00
Electrical Permit Fee	\$ 500.00	\$ 500.00
Subtotal	\$ 946.00	\$ 1,454.00
-50% of Building Permit Fee	\$ 195.50	
-50% of Electrical Permit Fee	\$ 250.00	
New Total	\$ 500.50	

	FEES UNDER SOLAR REBATE PROGRAM	PREVIOUS PERMIT FEES
Total Discounts	\$ 953.50	

Rebate check to homeowner would be \$445.50

Additional Rebates

Customers of the Hercules Municipal Utility may qualify for [other solar power incentives and rebates](#).